THE
MANITOBA CIVIL SERVICE
SUPERANNUATION FUND

FORTY-FOURTH
ANNUAL REPORT

For the year ended December 31, 1982

NOTICE TO PARTICIPANTS

Information about the Superannuation Plan is given in a pamphlet titled "Your Superannuation Plan" and dated July, 1977.

You are invited to ask the office of the Superannuation Board, at any time, for information about your membership in the Fund.

If you want to visit the Board Office, it would be appreciated if you would first telephone or write for an appointment so that we may get the information you want ready for your visit.

When communicating with the Board Office, please give:

1. Your name, and your employee number which is shown on your salary cheque stub.

2. The name of your employer—that is, Civil Service, Telephone System, Manitoba Hydro, etc.

3. The subject you want to discuss, so that you can be referred to the appropriate staff member.

4. The date of birth of your wife or husband, if you want estimates of retirement pensions that continue to your beneficiary after your death.

The telephone number of the Board is 233-8722 and the mailing address is:

Civil Service Superannuation Board,
600 - 400 Tache Avenue,
(opposite St. Boniface Hospital)
Winnipeg, Manitoba.
R2H 3C3

Under the Pension Benefits Act you may visit our office at any time during business hours to examine the Civil Service Superannuation Act, any amendments thereto, the annual information return, an abstract of the actuarial valuation and latest financial statements. Also you or your duly authorized agent may visit the Pension Commission concerning the Civil Service Superannuation Fund.

FORTY-FOURTH ANNUAL REPORT

OF THE

CIVIL SERVICE SUPERANNUATION BOARD

March 24, 1983

To the Honourable Mary Beth Dolin
Minister Responsible for the
Administration of The Civil
Service Superannuation Act.

We submit the Forty-fourth Annual Report of the Civil Service Superannuation Board for the year ended December 31, 1982.

HIGHLIGHTS OF 1982:

	1982	1981
Book Value of Investments	$364,944,601	$309,547,227
Investment Income	$39,952,121	$31,538,493
Yield on Investments	12.3%	11.4%
Employee Contributions	$34,529,979	$29,976,274
Employer Payments	$11,780,107	$10,101,237
Pension Payments, etc.	$22,903,772	$19,539,854
Refund of Contributions and Interest	$3,260,201	$4,474,414
General Expenses	$595,875	$578,551
Participants in Fund	25,240	24,434
Pensioners and Other Recipients	4,405	4,114
Terminated Employees with Vested Benefits	341	362

Pension Benefits

During the year covered by this report, pensions and instalment refunds paid totalled $22,903,772, a net increase of $3,363,918 (17.2%) over 1981. There were 4,405 persons receiving pensions or contributions and interest in monthly instalments at December 31, 1982 as compared to 4,114 persons one year earlier. At December 31, 1982 there were:

1. 3,801 pensioners, 343 new retirements and 122 deaths for a net increase of 221 for the year;
2. 323 deceased pensioners' beneficiaries receiving pensions;
3. 278 spouses receiving the automatic pension payable to the spouse of an employee who dies with more than 10 years of service;
4. 3 deceased employees' spouses receiving contributions and interest in monthly instalments.

Of the 246 new male pensioners, 73 retired at the normal retirement age of 65, 158 retired voluntarily before age 65, and 15 who were under age 60 were granted disability retirement. (For an employee who is age 60 or over, the pension for disability retirement is the same as for early retirement. The disabled employee who is over age 60 therefore applies for early retirement.)

Of the 97 new female pensioners, 37 retired at age 65, 55 retired voluntarily before age 65, and 5 who were under age 60 were granted disability retirement.

New 1982 pensioners include 25 former employees with vested benefits who commenced receiving their pensions during the year.

Integration with the Old Age Security Pension was selected by 147 male pensioners (85%) and 50 female pensioners (83%) who retired before age 65.

Integration with the Canada Pension was selected by 112 male pensioners (65%) and 37 female pensioners (62%) who retired before age 65.

Employees retiring during 1982 elected the following pension options:

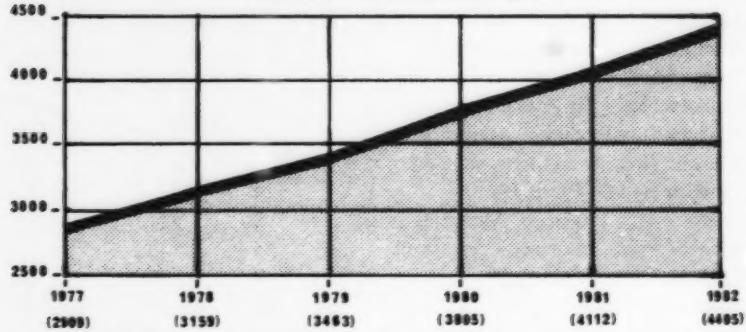
	Females	Males	Total
Pension reducing to one-half at pensioner's death	3	72	75
Pension reducing to two-thirds at pensioner's death	4	76	80
Ten-year guaranteed pension	10	26	36
Lifetime pension*	79	65	144
Other	1	7	8
	97	246	343

*Note: The majority of the pensioners who elected the lifetime pension were either single or had small pensions due to short service.

There were also 45 employees who reached age 65 during 1982 and who continued to work into 1983. In addition, there were 7 employees who reached age 65 in 1981 but who are still employed as at December 31, 1982 resulting in a total of 52 employees working beyond age 65 as at December 31, 1982. Eleven employees who worked past age 65 for short periods and retired in 1982 are included in the above total of 1982 normal retirements.

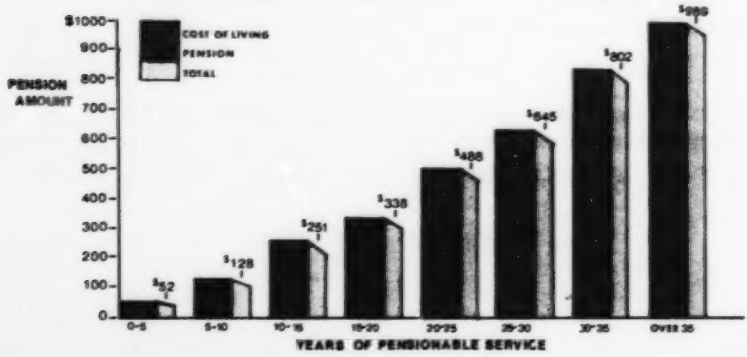
SIX-YEAR COMPARISON
RETIREMENTS

PENSIONERS & OTHER RECIPIENTS



( )—PENSIONERS & OTHER RECIPIENTS

PENSIONER
AVERAGE PENSION AND COST-OF-LIVING ACCORDING TO SERVICE



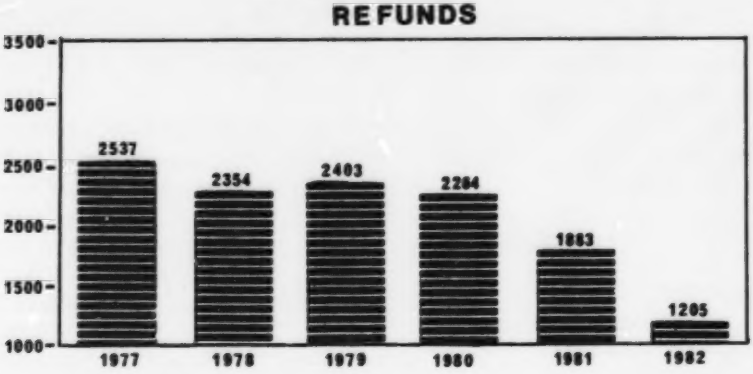
Refunds

There were 1,169 employees who resigned and received refunds of contributions and interest amounting to $3,102,135. The estates of 20 employees who died received refunds of contributions and interest amounting to $158,066. These refunds are divided as follows:

	Employees	Contributions Refunded	Interest Refunded
Alcoholism Foundation of Manitoba	11	$ 26,234	$ 1,661
Civil Service Superannuation Board	2	4,805	325
Housing Authorities	18	24,381	1,562
Liquor Control Commission	12	27,159	2,842
Manitoba Agricultural Credit Corporation	3	3,529	91
Manitoba Centennial Centre Corporation	1	1,358	50
Manitoba Civil Service	667	1,554,448	124,746
Manitoba Crop Insurance Corporation	4	5,721	317
Manitoba Data Services	21	88,810	11,015
Manitoba Government Employees' Association	4	14,315	1,893
Manitoba Health Services Commission	43	99,391	8,635
Manitoba Hog Producers' Marketing Board	3	1,294	32
Manitoba Housing and Renewal Corporation	3	8,743	583
Manitoba Hydro-Electric Board	124	367,399	36,246
Manitoba Milk Producers' Marketing Board	2	5,865	335
Manitoba Public Insurance Corporation	53	105,225	8,105
Manitoba Research Council	2	8,681	300
Manitoba Telephone System	185	445,467	43,697
Manitoba Turkey Producers' Marketing Board	1	340	5
Manitoba Water Services Board	2	1,883	179
Deferred Pension Accounts	23	142,950	25,907
Reciprocal Agreements	17*	37,238	2,385
Manitoba Reciprocal Agreements	4	11,393	2,661
	1,205	$2,986,629	$273,572

*Includes 16 employees who received refunds of the excess contributions in their accounts after required contributions were transferred under reciprocal agreement to provide equivalent pensionable service in other public service pension plans.

SIX YEAR COMPARISON



Reciprocal Agreements

Reciprocal agreements permitting the transfer of pension credits between the Civil Service Superannuation Board and the following pension plan authorities were in effect on December 31, 1982:

Government of Canada — Treasury Board
The Province of British Columbia — Superannuation Commissioner
The Province of Alberta — Public Service Pension Board
The Province of Alberta — Public Service Management Pension Board
The Province of Alberta — Local Authorities Pension Board
The Province of Saskatchewan — Public Service Superannuation Board
The Province of Ontario — Minister of Government Services
The Province of New Brunswick — Minister of Finance
The Province of Prince Edward Island — Minister of Finance
Canada Mortgage and Housing Corporation
Canadian Broadcasting Corporation
Canadian National Railway
City of Regina
The Council of Maritime Premiers
Hy-Line Credit Union
Ontario Hydro
Ontario Municipal Employees Retirement Board
(a) Ontario Municipalities
(b) Ontario Council of Regents for the Colleges of Applied Arts and Technology
Saskatchewan Power Corporation Superannuation Board

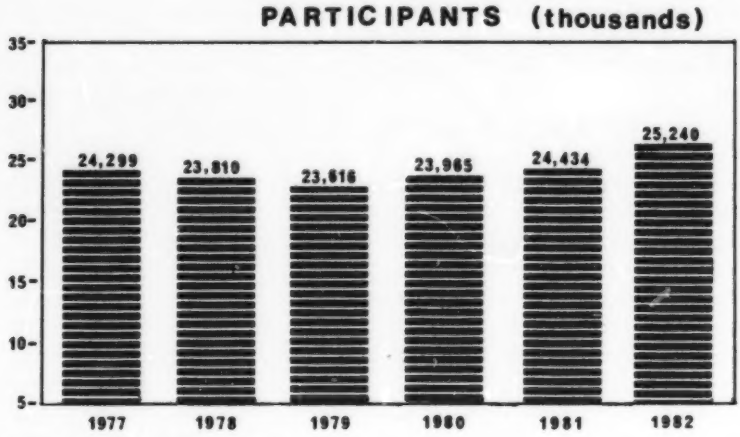
	Transfers to Manitoba		Transfers from Manitoba	
	Number	Amount	Number	Amount
Government of Canada	16	$136,822	26	$298,615
Provincial Public Service				
Alberta	4	29,141	14	132,430
British Columbia	—	—	1	14,521
New Brunswick	—	—	1	17,631
Ontario	3	23,489	1	7,123
Saskatchewan (Old Plan)	1	11,897	—	—
C.B.C.	2	54,872	—	—
C.M.H.C.	—	—	1	12,032
Council of Maritime Premiers	1	6,321	—	—
Hy-Line Credit Union	1	15,986	—	—
O.M.E.R.S.	2	8,055	—	—
Ontario Hydro	1	3,037	—	—
1982 Totals	31	$289,620	44	$482,352
1981 Totals	32	$241,595	33	$292,572

Participants

The number of participants in the pension plan increased by 806 and was divided as follows at December 31, 1982:

	Males	Females	Total
Alcoholism Foundation of Manitoba	77	81	158
Civil Service Superannuation Board	7	12	19
Communities Economic Development Corporation	7	7	14
Housing Authorities	65	47	112
Liquor Control Commission	340	72	412
Local Government Districts	1	—	1
Manitoba Agricultural Credit Corporation	34	16	50
Manitoba Beef Commission	2	5	7
Manitoba Centennial Centre Corporation	41	27	68
Manitoba Civil Service	8,192	5,724	13,916
Manitoba Crop Insurance Corporation	40	40	80
Manitoba Data Services	97	86	183
Manitoba Development Corporation	2	—	2
Manitoba Government Employees' Association	21	13	34
Manitoba Health Services Commission	183	486	669
Manitoba Hog Producers' Marketing Board	20	7	27
Manitoba Horse Racing Commission	3	2	5
Manitoba Housing & Renewal Corporation	70	61	131
Manitoba Hydro-Electric Board	3,105	528	3,633
Manitoba Milk Producers' Marketing Board	9	3	12
Manitoba Public Insurance Corporation	481	408	889
Manitoba Research Council	14	8	22
Manitoba Telephone System	2,536	1,775	4,311
Manitoba Turkey Producers' Marketing Board	2	3	5
Manitoba Water Services Board	14	1	15
Teachers' Retirement Allowances Fund Board	4	9	13
Universities Grants Commission	3	2	5
Workers Compensation Board	1	—	1
Deferred Pension Accounts	214	127	341
Pending Reciprocal Agreements	30	5	35
Manitoba Reciprocal Agreements	49	21	70
	15,664	9,576	25,240

SIX YEAR COMPARISON



Amendments to Superannuation Act

The Civil Service Superannuation Act was amended at the 1982 session of the Legislature to provide the following:

1. Cost-of-Living Improvement:

   This provided for transfers of:
   $1,391,100 on December 31, 1981;
   $1,565,600 on December 31, 1982; and
   $1,767,400 on December 31, 1983

   from the Fund's surplus to the Superannuation Indexing Adjustment Account, making it possible to annually increase pensions from about 5.5% to 6% to about 7.5% to 8% (by 2% overall) over a three year period commencing July 1, 1982. The transfer which amounted to $3.7 million of the Fund's $7 million surplus as at December 31, 1980 was attributable to the excess interest earnings on assets supporting the pension liabilities.

   When the Superannuation Indexing Adjustment Account was established in 1977, the objective was to provide cost-of-living increases in pensions of approximately two-thirds of the yearly Consumer Price Index. This was not possible in July, 1980 and July, 1981.

2. Interest on Employee Contributions:

   The credit of 3% interest to members' accounts and on refunds of members' contributions was extended to December 31, 1983.

Cost-of-Living Adjustment in Pensions

Effective July 1, 1982 a cost-of-living adjustment was paid to eligible pensioners and to beneficiaries receiving pensions in respect of deceased pensioners who retired

before July 1, 1981. The adjustment was limited to the extent that the amount in the separate Superannuation Indexing Adjustment Account was actuarially able to finance one-half of each increase. (See Exhibit C and Note 1(d) of the audited financial statements.)

The cost-of-living increase is related to service and the amount of pension received and was equal to 71¢ a month for each year of pensionable service to a maximum of 35 years plus 3.9% of the ordinary lifetime pension plus accumulated cost-of-living increases to date.

Employee contributions were increased from 6% to 7% on July 1, 1977 to finance half of the indexing program. The indexing of pensions is limited to the extent that 10.2% of annual gross employee contributions allocated to a separate account in the prior year will actuarially finance one-half of each increase reflecting all or part of the change in the Consumer Price Index during the prior year.

As outlined in the Amendments to Superannuation Act Section above, a 1982 amendment approved the additional transfer of $1,391,100 to the Superannuation Indexing Adjustment Account on December 31, 1981 to provide pensioners with increased cost-of-living adjustments effective July 1, 1982.

Information and Counselling Services

During 1982, the Superannuation Board conducted 31 Information Seminars on Superannuation and Group Insurance benefits on topics such as eligibility, entitlement to benefits, family protection, disability, death, etc., for employees of the government and its related boards, commissions and agencies in major centres throughout Manitoba.

In addition, the Board conducted 21, one-day Pre-Retirement Planning Seminars for about 546 employees and spouses throughout the Province in major centres including Winnipeg, Brandon, Portage la Prairie, Dauphin, and The Pas. Topics covered included benefits (pension and group insurance) awareness and planning, other financial subjects such as Old Age Security Pension, Canada Pension Plan, Unemployment Insurance, Blue Cross, and estate planning, as well as other subjects concerning the transition to a retirement lifestyle such as use of leisure time, health, alternate lifestyles, etc. A pre-retirement information package including a Retirement Planning Guide prepared and printed by the Civil Service Superannuation Board is distributed to Seminar participants.

The Board exerienced an increased demand for individual counselling for retiring employees and spouses during 1982. Assessments indicate that the Pre-Retirement Planning Seminars combined with individual counselling has helped to alleviate the uncertainty and apprehension associated with retirement by providing factual information which enables employees and their families to implement plans and make knowledgeable decisions in advance of retirement.

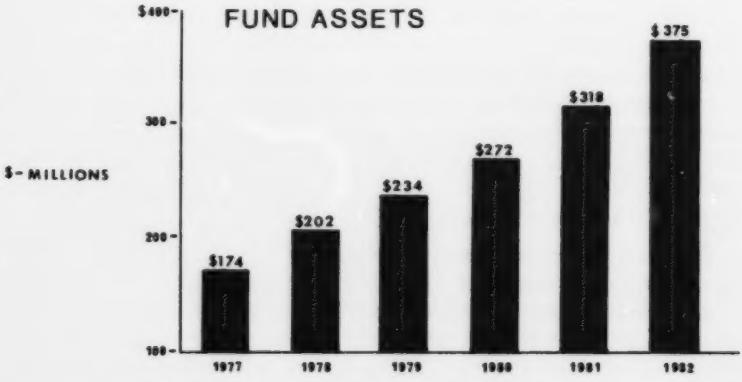
An Annual Benefit Statement indicating members' status including contributions, pensionable service, current and projected pension benefits and the amount of group insurance coverage was distributed to each member. Articles of interest to employees on group insurance and pension benefits were also printed in the various employee newsletters.

Investments

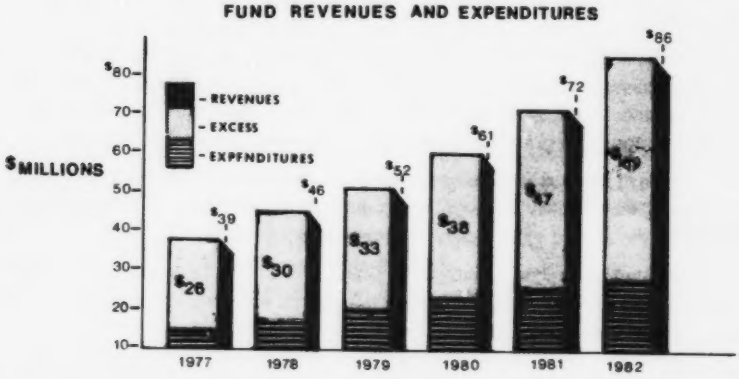
The Board approved a comprehensive investment policy which was developed by its Investment Committee. The primary objective of the policy is to ensure that the financial requirements of the Fund are met while at the same time ensuring that benefits are as generous as possible and contributions are as low as possible. The return objective of the investment policy is a rate of 3% to 3½% above inflation over the long term using minimum and maximum holdings for bonds and mortgages of 60% to 80% and of stocks and real estate of 20% to 40%. In order to carry this out over the next few years the Board's Investment Committee developed a strategy which will result in a steady increase in the Fund's holdings of common stock and real estate. The Fund hired external investment managers to manage the common stock portion of its portfolio.

The Fund's total assets were approximately $375.4 million as at December 31, 1982, an increase of 17.9% over 1981. Investment income increased $8.4 million or 26.7%. The net yield on the total Fund for 1982 was 12.3% versus 11.4% in 1981, prior to crediting ¼ of 1% of the total book value of the fixed income investments to the Investment Reserve. Included in 1982 investment income of $39.9 million is $0.7 million in capital gains realized on the sale of pooled common stocks.

SIX-YEAR COMPARISON



SIX-YEAR COMPARISON



The following comparative table illustrates our investment holdings:

	1982 (000's)	1981 (000's)	Increase (Decrease) (000's)
Bonds & Debentures			
Federal & Provincials	$ 94,648	$ 97,730	$ (3,082)
City & Municipal	12,651	17,516	(4,865)
Corporate	97,795	83,351	14,444
Sub-total — Bonds	205,094	198,597	6,497
NHA Mortgages	81,292	68,649	12,643
Other Mortgages	13,373	11,034	2,339
Pooled Fixed Income Funds	15,638	7,848	7,790
Mortgage REIT Units	974	500	474
Sub-total – Mortgages	111,277	88,031	23,246
Common Stock	11,229	5,551	5,678
Real Estate	11,972	10,906	1,066
Petroleum & Natural Gas Interests	1,997	1,197	800
Short-term Certificates	22,975	5,265	17,710
Venture Capital	400	—	400
Total	$364,944	$309,547	$55,397

The average yield on bonds purchased in 1982 was 17.1%. The average yield on new mortgage commitments in 1982 was 15.5%. As at December 31, 1982, the Fund had outstanding mortgage commitments in the amount of $4.6 million at an average rate of 14.8%.

The Fund invested $7 million in pooled common stock funds managed by external investment managers. Also, $0.5 million of pooled common stocks were sold during 1982.

The Fund did not make any real estate commitments during the year as the rates of return on real estate were not competitive with other investments. The increase of $1.1 million in the Fund's holdings of real estate is attributable to disbursements made on prior year commitments through Pensionfund Realty Limited.

The Fund invested $0.8 million in Canadian Pencrown Resources Ltd., an equity investment, which is wholly owned and controlled by Canadian pension funds to participate in the oil and gas industry on a tax exempt basis.

The Fund committed $2 million to VenGrowth Capital Funds Ltd., which was established for the purpose of providing pension funds with a vehicle to invest in small and medium size corporations.

Acturial Valuation

The Civil Service Superannuation Act provides for an actuarial report on the financial position of the Fund to be made at the end of each three year period. The valuation as at December 31, 1980, conducted by Turnbull and Turnbull, consulting actuaries, stated that there had been a significant improvement in the financial position of the Fund during the period under review. The Actuarial Report as at December 31, 1980 disclosed an actuarial surplus of $7,027,817.

A portion of the surplus in the amount of $3.7 million has been designated to provide increased cost-of-living adjustments for pensioners effective July 1, 1982, July 1, 1983 and July 1, 1984.

Board Members

The Board acknowledges with respect and appreciation the dedication and contribution made to the Board by Mr. E.G. Johanson, who served on the Board from April 1, 1979 until his retirement on January 8, 1982, and Mr. E.A. McGill, who served from April 1, 1979 to March 31, 1982.

The Board is pleased to welcome the appointments of Mr. M. Fraser, Mr. C. Fordyce, and Ms. J. Thompson.

Board Meetings

During the year the Board held 8 meetings and each of the Board committees held several meetings.

Attached Statements

We submit the following statements for the year ended December 31, 1982:

Changes in Status — Participants
Changes in Status — Pensioners
Auditor's Report:
Balance Sheet
Reserve for Present and Future Benefits
Superannuation Indexing Adjustment Account
Investment Reserve
Summary of Investments
Payments and Contributions
Statement of General Expenses, net

Respectfully submitted,

THE CIVIL SERVICE SUPERANNUATION BOARD

R.E. Archer, Chairman

Members

C.E. Curtis
G.S. Eakin
C. Fordyce
M. Fraser
M.C. Kovacs, M.D.
H.H. Meiklejohn
R.H. Tallin
J. Thompson

CHANGES IN STATUS — PARTICIPANTS

For the year ended December 31, 1982

Males

Age Group	Entered	Withdrew	Died	Retired	Participants at Dec. 31, 1982
-19	24	4	—	—	32
20-24	261	69	2	—	762
25-29	237	112	—	—	1,928
30-34	178	88	2	—	2,575
35-39	126	73	—	—	2,589
40-44	84	41	1	—	1,980
45-49	56	24	4	—	1,727
50-54	56	16	6	4	1,695
55-59	38	10	9	62	1,389
60-	20	9	14	180	987
	1,080	446	38	246	15,664

Females

Age Group	Entered	Withdrew	Died	Retired	Participants at Dec. 31, 1982
-19	73	20	—	—	95
20-24	405	199	1	—	1,569
25-29	295	232	—	—	2,171
30-34	226	149	1	—	1,594
35-39	140	79	1	1	1,070
40-44	89	36	—	—	860
45-49	54	22	1	1	686
50-54	34	14	—	—	663
55-59	16	6	2	28	497
60-	9	10	4	67	371
	1,341	767	10	97	9,576
Totals	2,421	1,213	48	343	25,240

CHANGES IN STATUS — PENSIONERS

For the year ended December 31, 1982

Males

Ages	Pensioners at Dec. 31, 1981	New Retirements	Deaths	Pensioners at Dec. 31, 1982
-59	203	76	4	217
60-64	429	84	12	458
65-69	842	86	22	868
70-74	527	—	23	559
75-79	265	—	14	297
80-84	116	—	11	121
85-89	43	—	5	54
90-	22	—	6	22
	2,447	246	97	2,596

Females

Ages	Pensioners at Dec. 31, 1981	New Retirements	Deaths	Pensioners at Dec. 31, 1982
-59	91	32	3	103
60-64	184	26	3	176
65-69	381	39	2	379
70-74	213	—	4	263
75-79	159	—	4	162
80-84	67	—	5	84
85-89	25	—	2	24
90-	13	—	2	14
	1,133	97	25	1,205
Totals	3,580	343	122	3,801

MANITOBA

PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

THE CIVIL SERVICE SUPERANNUATION FUND

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A to D and Schedules 1 to 3, of The Civil Service Superannuation Fund for the fiscal year ended December 31, 1982. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1982 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied, after giving retroactive effect to the amendment to the Act as explained in note 1(d) to the financial statements, on a basis consistent with that of the preceding year.

W.K. Ziprick, C.A.,
Provincial Auditor.

March 24, 1983,
Winnipeg, Manitoba.

Exhibit A

THE CIVIL SERVICE SUPERANNUATION FUND

Balance Sheet as at December 31, 1982
(with 1981 figures for comparison)

ASSETS

	1982	1981
Cash in bank	$ 1,115,338	$ 585,629
Employees' contributions and employers' contributions and payments receivable	71,010	100,441
Investments, Schedule 1, Note 1(b)	364,944,601	309,547,227
Accrued investment income	7,392,214	6,138,316
Accrued liability from the Province of Manitoba in accordance with Sec. 24(1) of the Act	1,826,300	1,826,300
Furniture and fixtures: at nominal value, cost: 1982 - $46,433 1981 - $42,640	1	1
Computer equipment, Note 1(c) at cost less accumulated amortization: 1982 - $63,800 1981 - $45,195	47,840	58,727
Computer programs development expenses, Note 1(c) at cost less accumulated amortization: 1982 - $127,420 1981 - $118,605	7,094	15,909
	$375,404,398	$318,272,550

LIABILITIES

Accounts payable	$ 5,066	$ 25,998
Employee contributions received in advance	—	59,072
Unclaimed annuity plus interest	4,216	—
Fixed income investment reserve, Exhibit D, Note 1(b) (i)	(140,893)	843,094
Superannuation indexing adjustment account, Exhibit C, Note 1(d)	20,877,390	15,793,095
Reserve for present and future benefits, Exhibit B	354,658,619	301,551,291
	$375,404,398	$318,272,550

Exhibit B (Page 1)

THE CIVIL SERVICE SUPERANNUATION FUND

Statement of Changes in the Reserve for Present and Future Benefits for the year ended December 31, 1982 (with 1981 figures for comparison)

	1982	1981
Additions during the year:		
Payments and contributions, Schedule 2:		
Employers' payments and contributions:		
Payments based on superannuation allowances of retired employees	$ 11,439,546	$ 9,761,540
Payments based on prior non-pensionable employment	3,000	—
Payments equal to interest paid on deceased employees' and pensioners' contributions refunded	39,559	33,507
Payments based on war service	5,255	6,458
Contributions based on employees' remuneration	292,747	299,732
	11,780,107	10,101,237
Employees' payments and contributions:		
Contributions based on remuneration	33,445,310	28,859,190
Payments based on prior non-pensionable employment	392,915	325,252
Receipts from other pension plans re transfer of employee benefits under reciprocal agreements	289,620	241,595
Payments based on war service	402,134	550,237
	34,529,979	29,976,274
Total payments and contributions	46,310,086	40,077,511
Investment income:		
Fixed income, Note 1(b) (i)		
Interest	36,780,171	29,440,006
Amortization of discounts	614,932	507,682
Transfer to investment reserve, Exhibit D	(851,359)	(732,726)
Subtotal, carried forward	$ 36,543,744	$ 29,214,962

Exhibit B (Page 2)

THE CIVIL SERVICE SUPERANNUATION FUND

Statement of Changes in the Reserve for Present and Future Benefits for the year ended December 31, 1982 (with 1981 figures for comparison)

	1982	1981
Subtotal, brought forward	$ 36,543,744	$ 29,214,962
Equity income, Note 1(b) (ii)		
Dividends and interest	593,223	536,523
Gain due to sale of investments	677,987	60,185
Real estate equity income, Note 1(b) (iii)		
Dvividends and interest	1,189,245	895,750
Total fixed, equity and real estate equity investment income	39,004,199	30,707,420
Interest due on accrued liability from the Province of Manitoba in accordance with Sec. 24(2) of the Act	73,052	73,052
Bank and other interest	96,563	98,347
Total additions	85,483,900	70,956,330
Deductions during the year:		
Superannuation and supplementary allowances	22,903,772	19,539,854
Refund of employees' contributions including interest	3,260,201	4,474,414
Refund of unused portion of deceased pensioners' contributions together with interest	50,077	40,363
Payments to other pension plans re transfer of employee benefits under reciprocal agreements	482,352	292,572
General expenses, net, Schedule 3	595,875	578,551
Net transfer to superannuation indexing adjustment account, Exhibit C	5,084,295	4,314,095
Total deductions	32,376,572	29,239,849
Net increase for the year	53,107,328	41,716,481
Balance at beginning of year	301,551,291	259,834,810
Balance at end of year, Exhibit A	$354,658,619	$301,551,291

Exhibit C

THE CIVIL SERVICE SUPERANNUATION FUND

Statement of Changes in the Superannuation Indexing Adjustment Account for the year ended December 31, 1982 (with 1981 figures for comparison)

	1982	1981
Allocation of 10.2% of employees' contributions	$ 3,432,320	$ 2,942,025
Interest allowance	2,076,623	1,426,833
Transfer of pensioners' excess interest surplus, Notes 1(d) and (e)	1,565,600	1,391,100
	7,074,543	5,759,958
Less:		
Charge for one-half of all superannuation adjustments	1,990,248	1,445,863
Net transfer for the year from reserve for present and future benefits, Exhibit B	5,084,295	4,314,095
Balance at beginning of year	15,793,095	11,479,000
Balance at end of year, Exhibit A	$ 20,877,390	$ 15,793,095

Exhibit D

THE CIVIL SERVICE SUPERANNUATION FUND

Statement of Changes in the Fixed Income Investment Reserve for the year ended December 31, 1982 (with 1981 figures for comparison)

	1982	1981
Additions during the year:		
Transfer in accordance with investment policy, Exhibit B, Note 1(b) (i)	$ 851,359	$ 732,726
Less: Net charge resulting from purchases, sales and redemptions	1,835,346	298,743
Net increase for the year	(983,987)	433,983
Balance, beginning of year	843,094	409,111
Balance, end of year, Exhibit A	$ (140,893)	$ 843,094

Schedule 1 (Page 1)

THE CIVIL SERVICE SUPERANNUATION FUND

Summary of Investments as at December 31, 1982

	Par Value	Book Value
Fixed income investments:		
Bonds and debentures issued by, or guaranteed by, the following:		
Canada	$ 42,695,000	$ 40,509,755
Province of British Columbia	610,000	602,925
Province of Manitoba	31,083,000	30,825,483
Province of New Brunswick	1,430,000	1,439,549
Province of Newfoundland	645,000	643,163
Province of Nova Scotia	835,000	827,436
Province of Ontario	18,925,000	19,042,261
Province of Prince Edward Island	200,000	198,183
Province of Quebec	400,000	389,363
Province of Saskatchewan	175,000	169,877
Hospitals	5,222,500	5,222,500
Municipal corporations	7,379,000	7,428,344
Corporations, Note 1(b) (iv)	99,005,333	98,992,511
	$208,604,833	206,291,350
Short-term investments with the Minister of Finance	$ 22,975,000	22,975,000
Mortgages:		
National Housing Act (Canada)	$ 88,008,369	81,292,473
Other	14,346,410	14,346,410
	$102,354,779	
Pooled fixed income funds		15,638,510
Total fixed income investments, at amortized cost, Note 1(b) (i)		340,543,743
Equity investments:		
Common stock		663,071
Pooled equity funds		10,565,667
Petroleum and natural gas investments, shares		800,000
Limited partnership, venture capital		400,000
Total equity investments, Note 1(b) (ii)		12,428,738

Schedule 1 (Page 2)

THE CIVIL SERVICE SUPERNNUATION FUND

Summary of Investments

as at December 31, 1982

	Par Value	Book Value
Real estate equity investments:		
Participating bonds, at cost, Note 1(b) (iii)		$ 9,231,956
Qualifying shares, at cost		11,588
Units of pooled real estate, at equity accounting method, Note 1(b) (iii)		2,728,576
Total real estate equity investments		11,972,120
Total investments, Exhibit A		$364,944,601

Schedule 2

THE CIVIL SERVICE SUPERANNUATION FUND

Statement of Payments and Contributions for the year ended December 31, 1982

	Employers' payments and contributions	Employees' payments and contributions	Total
Province of Manitoba Civil Service	$ 6,109,402	$ 18,278,542	$ 24,387,944
Manitoba Telephone System	2,617,759	5,937,529	8,555,288
Manitoba Hydro-Electric Board	1,794,647	5,465,946	7,260,593
Liquor Control Commission	607,684	508,445	1,116,129
Manitoba Health Services Commission	208,921	789,841	998,762
Manitoba Public Insurance Corporation	27,182	1,070,221	1,097,403
Manitoba Agricultural Credit Corporation	27,675	83,073	110,748
Manitoba Crop Insurance Corporation	28,932	99,441	128,373
Manitoba Development Corporation	7,840	6,409	14,249
Communities Economic Development Fund	—	25,359	25,359
Teachers' Retirement Allowances Fund Board	2,463	17,452	19,915
Civil Service Superannuation Board	—	25,518	25,518
Workers Compensation Board	18,670	3,739	22,409
Manitoba Hog Producers' Marketing Board	35,215*	35,215	70,430
Local Government Districts	2,301*	2,301	4,602
Manitoba Government Employees' Association	45,253*	45,253	90,506
Manitoba Housing and Renewal Corporation	8,123	184,987	193,110
Universities Grants Commission	2,673	10,242	12,915
Manitoba Centennial Centre Corporation	6,524	66,194	72,718
Manitoba Milk Producers' Marketing Board	22,167*	22,167	44,334
Housing Authorities	116,595*	116,595	233,190
Manitoba Water Services Board	14,228*	14,228	28,456
Manitoba Turkey Producers' Marketing Board	6,839*	6,839	13,678
Alcoholism Foundation of Manitoba	4,076	208,433	212,509
Manitoba Horse Racing Commission	—	8,376	8,376
Manitoba Data Services	6,535	264,605	271,140
International Brotherhood of Electrical Workers	2,899*	2,899	5,798
Manitoba Research Council	34,397*	38,582	72,979
Manitoba Beef Commission	1,305*	1,305	2,610
Employees on Workers Compensation	—	6,535	6,535
Employees on loan	11,362	11,362	22,724
Repayment of contributions previously refunded	185	87,677	87,862
Payments based on prior non-pensionable employment	3,000	392,915	395,915
Payments based on war service	5,255	402,134	407,389
Receipts from other pension plans re transfer of employee benefits under reciprocal agreements	—	289,620	289,620
Total payments and contributions, Exhibit B	$11,780,107	$34,529,979	$46,310,086

*Employers' contributions based on employees' remuneration.

Schedule 3 (Page 1)

THE CIVIL SERVICE SUPERANNUATION FUND

Statement of General Expenses, net for the year ended December 31, 1982 (with 1981 figures for comparison)

	1982	1981
Salaries and fringe benefits:		
Salaries — permanent staff	$ 451,724	$ 407,463
Salaries — part-time staff	1,442	1,525
Fringe benefits	16,328	17,421
Pensions paid — employer cost	15,245	16,440
Health and education tax levy	3,568	—
	488,307	442,849
Professional fees:		
Actuary — pension	22,676	60,753
Actuary — group insurance	—	13,355
Audit	27,800	24,650
	50,476	98,758
Computer related costs:		
Amortization of equipment	18,605	17,324
Amortization of program development expense	8,815	22,417
Maintenance and program licencing	18,249	10,702
Miscellaneous	657	505
	46,326	50,948
Printing and stationery:		
Microfilming	2,348	2,594
Photocopy service	3,871	3,773
Printing	13,455	12,638
Stationery and supplies	15,802	13,096
	35,476	32,101

Schedule 3 (Page 2)

THE CIVIL SERVICE SUPERANNUATION FUND

Statement of General Expenses, net
for the year ended December 31, 1982
(with 1981 figures for comparison)

	1982	1981
Other:		
Bank and investments	$ 20,929	$ 16,508
Furniture and fixtures	3,793	2,575
Machine rentals and servicing	3,567	3,136
Medical examinations	2,396	2,451
Miscellaneous	8,362	9,396
Seminars and travelling	10,028	8,560
Telephone, postage and delivery	11,722	10,327
	60,797	52,953
	681,382	677,609
Less: Operating recoveries		
Public Service Group Insurance Fund administration	(51,778)	(65,256)
Municipal Employees Benefits Board administration	(33,729)	(33,802)
Total general expenses, net, Exhibit B	$ 595,875	$ 578,551

THE CIVIL SERVICE SUPERANNUATION FUND

Notes to the Financial Statements for the year ended December 31, 1982

1. Significant Accounting Policies:

The significant accounting policies are summarized below:

(a) The Fund follows the accrual basis of accounting in all cases where the amount of the accrual is material, except for refunds of employees' contributions which are reflected on the cash method of accounting.

(b) The investment income measurement policies consist of:

(i) Fixed income investments:

Premiums on bonds and debentures in excess of one percent of par value are amortized on a straight line basis over the remaining term and are charged to the fixed income investment reserve. All other premiums on fixed income investments are charged to the investment reserve in the year of acquisition.

Discounts within or equal to one percent of par value are credited to income in the year of acquisition. All other discounts are amortized on a straight line basis over the remaining or renewable term and are credited to income.

Fixed investment income is reduced annually by ¼ of 1% of the book value of fixed income investments to a maximum of the reserve not exceeding 3% of the book value of the fixed income investments and the amount of the reduction is credited to the fixed income investment reserve.

Gains or losses on disposition are reflected in the fixed income investment reserve. This account does not reflect a valuation of the fixed income investments, but is maintained to stabilize and even out the investment income.

(ii) Equity investments:

Equity investments are recorded at an adjusted value equal to cost plus a minor upward adjustment, representing the balance that remained in a previous reserve for equity investments after the equity investments were adjusted as a result of a revision to the Fund's equity investment policy effective January 1, 1977. Gains or losses on disposition are reflected in equity income.

Petroleum and natural gas, and limited partnership investments have restrictions on their disposition.

THE CIVIL SERVICE SUPERANNUATION FUND

Notes to the Financial Statements for the year ended December 31, 1982

1. (b) (iii) Real estate equity investments:

Income from real estate equity investments, evidenced by participating bonds, represents the Fund's proportionate share of the net cash flow generated by the underlying properties with no allowance having been made for depreciation. In the event the income from a property is insufficient to pay the costs of its operations, the Fund is liable to make additional payments, without limitation in amount, equal to its share of such a deficiency.

Pooled real estate investments are recorded at cost plus the proportionate share of earnings reported by the property manager.

(iv) Foreign currency translation:

Investment transactions in foreign currency are translated to Canadian dollars and are recorded at the rate of exchange prevailing at the respective transaction date. Realized exchange gains or losses on fixed income investments are reflected in the fixed income investment reserve; and on equity and real estate investments, in the reserve for present and future benefits. Exchange on investment earnings is reflected in the reserve for present and future benefits.

(c) Computer:

Computer equipment and program development expenses are capitalized and are amortized on a straight line basis over six years.

(d) Superannuation indexing adjustment account:

In accordance with amendments to the Act, effective July 1, 1977, a program of controlled indexing was implemented whereby 10.2% of employees' annual contributions are allocated to a superannuation adjustment account. Interest is allocated to the reserve on a basis related to the yield earned by the Fund on its mortgages, bonds and debentures.

Effective July 1 of each year, cost-of-living superannuation adjustment payments are based on the lesser of the increase in the Consumer Price Index in the previous calendar year or the amount of the increase, as determined by an actuarial review, which could be paid without resulting in an unfunded liability in the adjustment account.

THE CIVIL SERVICE SUPERANNUATION FUND

Notes to the Financial Statements for the year ended December 31, 1982

1. (d) (cont'd) A 1982 amendment to the Civil Service Superannuation Act provided for the following special contributions to be credited to the superannuation adjustment account retroactive to December 31, 1981:

(i) on December 31, 1981, $1,391,100
(ii) on December 31, 1982, $1,565,600
(iii) on December 31, 1983, $1,767,400

Prior year's comparative figures have been restated to reflect the 1981 contribution.

(e) **Actuarial report:**

The financial statements do not take into account actuarial valuations and, therefore, do not reflect the financial position of the Fund on an actuarial valuation basis. In accordance with the Act, an actuarial valuation and report is required every three years. The most recent actuarial report on The Civil Service Superannuation Fund, as at December 31, 1980 disclosed a surplus of $7,027,817. The Actuary stated that $3,731,900 of the surplus is attributable to the excess interest earnings on the assets supporting the liabilities for participants who were on pension during the period.

2. **Retired employees of the Fund:**

The Board has a legislative requirement to pay as an annual administrative expense, one-half of the pension benefits paid by the Fund on behalf of its retired employees. On the basis of an actuarial report, the unfunded provision for the Board's employees amounted to $280,956 as at December 31, 1982.

3. **Guarantee by the Province:**

Under the Act, the Province of Manitoba guarantees that a certain rate of return which varies based on actuarial assumptions, will be earned on the assets of the Fund. Any deficiency in annual earnings is made up by the Province; however, no payments have been required to date.

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